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ILLINOIS COMMERCE COMMISSION

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CHIEF CLERK'S OFFICE

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January 21, 2004

04-0055

Via First Class Mail

Elizabeth A. Rolando, Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

*Petition to Cancel
Authority (by letter)*

RE: Touch America, Inc.
*Notice of Intention to Cease Business and Request to Cancel
Certificate of Authority and Withdraw Tariffs*

Dear Ms. Rolando:

Touch America, Inc. (Debtor-in-Possession) ("Touch America"), through its attorneys, hereby provides notice to the Illinois Commerce Commission ("Commission") of its intention to cease conducting business on or shortly after January 31, 2004.

As of January 31, 2004, Touch America will not have any Illinois customers subscribed to any of its intrastate, regulated telecommunications services. Details regarding the disposition of Touch America's Illinois customers over the past twelve months, by reason other than attrition, are provided herein.

By this notification letter, Touch America respectfully requests the Commission cancel all state telecommunications licenses issued to the company and cancel and withdraw the company's tariffs, if applicable, on January 31, 2004 or as soon thereafter as possible.

Background

Touch America is a Montana corporation headquartered in Butte, Montana. Touch America is authorized to provide a variety of intrastate, interexchange telecommunications services in Illinois by virtue of authority granted May 10, 2000 in Docket No. 00-0127.

On June 19, 2003, Touch America Holdings, Inc. and certain of its subsidiaries, including Touch America, filed voluntary petitions pursuant to Chapter 11 of the U.S. Bankruptcy Code to reorganize their business and financial structure. *See* Chapter 11 Case No. 03-11915-MFW et al. (Bankr. D. Del.).

Throughout its existence, Touch America provided a variety of regulated and non-regulated services to customers throughout the United States, including switched and dedicated voice long distance, dedicated data private lines, ATM/Frame Relay, and other enhanced data and video services.

Touch America shifted its business focus away from voice communications in late 2002. Therefore, in late 2002 and again several months later, Touch America sold the vast majority of its switched and dedicated voice customer bases to Buyers United, Inc., d/b/a buyersonline, d/b/a United Carrier Networks ("Buyers United"), a licensed long distance provider, in two separate, but related transactions ("Buyers United Transactions"). Additional details regarding the Buyers United Transactions and the impact these transactions had on Touch America's Illinois customers, if any, are provided below.

Since filing for Chapter 11 bankruptcy protection in June 2003, Touch America has entered into agreements with qualified carriers to sell its dedicated data private line customers and other assets required to provide services to its remaining ATM/Frame Relay customers. These transactions ensure that customers obtain service following Touch America's dissolution. Details of these transactions and their impact on Touch America's Illinois customers, if any, are provided below.

To the extent customers previously taking regulated, intrastate telecommunications services from Touch America were not transferred to another qualified carrier or carriers, any remaining customers either voluntarily disconnected service or otherwise ceased taking services from Touch America.

Disposition of Customers

As of January 31, 2004, Touch America will not have any Illinois customers either subscribed to the company's regulated, intrastate telecommunications services or obtaining services over Touch America's network. All Illinois customers previously subscribed to Touch America's network for intrastate regulated services have already transferred their accounts to alternate service providers or have otherwise voluntarily terminated service with Touch America.

In Illinois, customers of each of the following categories of service were transitioned off of Touch America's network, as follows:

Switched & Dedicated Interstate and Intrastate Voice Long Distance:

Transaction -

Customers of these voice services were acquired by Buyers United in two separate, but related transactions. Customers who were not acquired by Buyers United either transferred service to an alternate provider of their choosing or otherwise elected to terminate services with Touch America.

How transaction affected Illinois -

Illinois customers were not implicated and therefore not affected by the Buyers United Transactions.

Currently, Touch America has no intrastate or interstate switched or dedicated voice long distance customers subscribed to its services.

Dedicated Data Private Line:

Transaction -

Customers of Touch America's dedicated data private line services and certain other non-regulated services, such as dial-up Internet, were acquired by 360networks(USA) inc. on December 24, 2003, as a result of a transaction approved by the bankruptcy court and the Federal Communications Commission ("360 Transaction"). See *Domestic Section 214 Application Filed for Acquisition of Assets of Touch America, Inc. by 360networks (USA) Inc.*, WC Docket No. 03-227 (Approved by FCC on December 11, 2003).

How transaction affected Illinois -

Touch America had neither dedicated data private line customers nor customers of other regulated services subject to the 360 Transaction in Illinois.

ATM/Frame Relay:

On December 8, 2003, Touch America filed an application for discontinuance of its ATM and Frame Relay services, pursuant to Section 63.71 of the FCC's rules, 47 C.F.R. §63.71. See *Application of Touch America, Inc. (Debtor-in-Possession) to Discontinue Domestic Telecommunications Services*, WC Docket No. 03-259. As required by FCC rules, Touch America provided a copy of its 214 Discontinuance filing to the public service commissions and Governor's offices in each state where a customer location might be affected by the proposed discontinuance. Touch America also provided direct mail notice to each affected customer.

Touch America's ATM/Frame Relay services are wholly interstate in nature. Therefore, Touch America's ATM/Frame Relay services are not subject to state jurisdiction. Rather, such wholly interstate services are subject to the exclusive jurisdiction of the FCC and the Section 214 discontinuance processes established by the federal Communications Act. *See* 47 U.S.C. §214.

Nevertheless, Touch America understands the concerns a state Commission might have regarding the effect of the proposed discontinuance on commercial customers with locations in their state. To allay these concerns, Touch America provides the following information.

Through the Section 214 process, customers of Touch America's interstate ATM/Frame Relay services who are affected by the proposed discontinuance of services have been given the opportunity to seek additional time to transfer service to an alternate carrier(s). For customers seeking additional time, Touch America has committed to ensure continuity of service until February 28, 2004. Ultimately, ATM/Frame Relay services will not be discontinued without the express authority of the FCC.

Conclusion

Touch America appreciates the opportunity it has had to serve Illinois customers and is deeply disappointed that it could not continue as the service provider to these customers due to the financial and other circumstances resulting in its Chapter 11 bankruptcy. In the months leading up to and during its bankruptcy, Touch America has taken every effort to ensure that its customers are treated fairly and responsibly. Touch America has worked diligently to ensure that customers who elect to be are transitioned to qualified carriers. As of January 31, 2004, Touch America will have no customers taking regulated, intrastate services in Illinois. Wherefore, for the reasons set forth above, Touch America requests the cancellation of its Certificate of Authority and cancellation and withdrawal of its tariffs on file with the Commission.

An additional copy of this filing is enclosed. Please date stamp and return in the self-addressed, postage pre-paid envelope.

Should you have questions regarding this filing, please contact the undersigned.

Respectfully submitted, ,



Jonathan S. Marashlian
Regulatory Counsel

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cc: Telecom Division, Illinois Commerce Commission
Consumer Services Division, Illinois Commerce Commission
Michael J. Meldahl, President, Touch America, Inc.

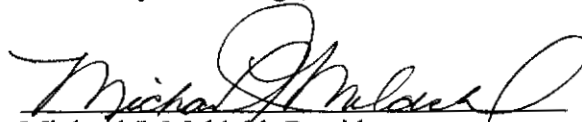
AFFIDAVIT

STATE OF MONTANA)

COUNTY OF SILVER BOW)


AFFIDAVIT OF MICHAEL J. MELDAHL

I, Michael J. Meldahl, being of lawful age and duly sworn upon my oath, depose and state: I am President of Touch America, Inc. (Debtor-in-Possession) ("Touch America"); I am duly authorized to make these statements on behalf of Touch America; the information contained in the foregoing filing is true and correct to the best of my knowledge, information and belief.


Michael J. Meldahl, President
Touch America, Inc.

Subscribed and sworn to before me this 20th day of January, 2004.

NOTARY PUBLIC


Lawrence A. Yelovich

Notary Public for the State of Montana
Residing at Butte, Montana
Notary Public Expires 9/1/2004